BUSINESS DEVELOPMENT BANK OF CANADA
SPRING 2015 / VOL. 35 NO. 2 / BDC.CA

profit$

ESSENTIAL INFORMATION FOR ENTREPRENEURS

ALL SYSTEMS ARE GO

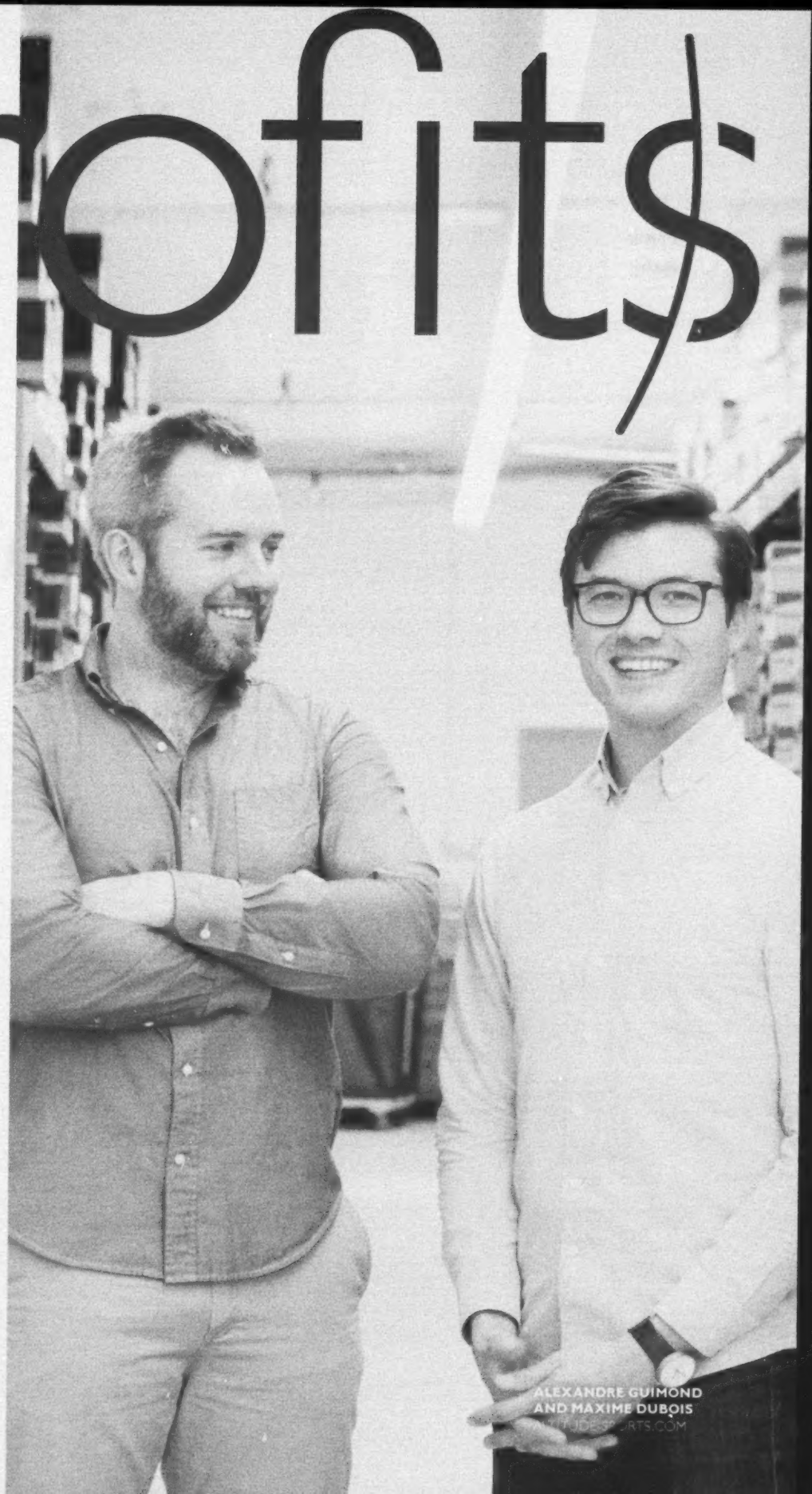
CREATING SUSTAINABLE GROWTH AT YOUR COMPANY

SALES SURGE

FOLLOW THIS RIGOROUS APPROACH TO INCREASING SALES

A CLEAR VISION

HOW TO FOCUS YOUR BUSINESS AND DRIVE IT FORWARD



ALEXANDRE GUIMOND AND MAXIME DUBOIS

BDC
Entrepreneurs first

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COVER STORY

YOUR GROWTH SYSTEM

When **MAXIME DUBOIS** and **ALEXANDRE GUIMOND** bought Altitude Sports, a retailer of high-end outerwear, they knew they'd have to improve management systems to keep up with rapid e-commerce growth. Learn how they did it and how you can too.

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ALI MOZAFFARI had grown frustrated by the slow pace of growth at his Vancouver company, Iron Age Manufacturing. Learn how a new approach to sales allowed him to reap an 80% gain in two years.

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LORI KENNEDY and her husband Jim came from humble beginnings to build a 500-employee fish and seafood company that is a pillar of their Cape Breton community.

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ENTREPRENEURS FIRST

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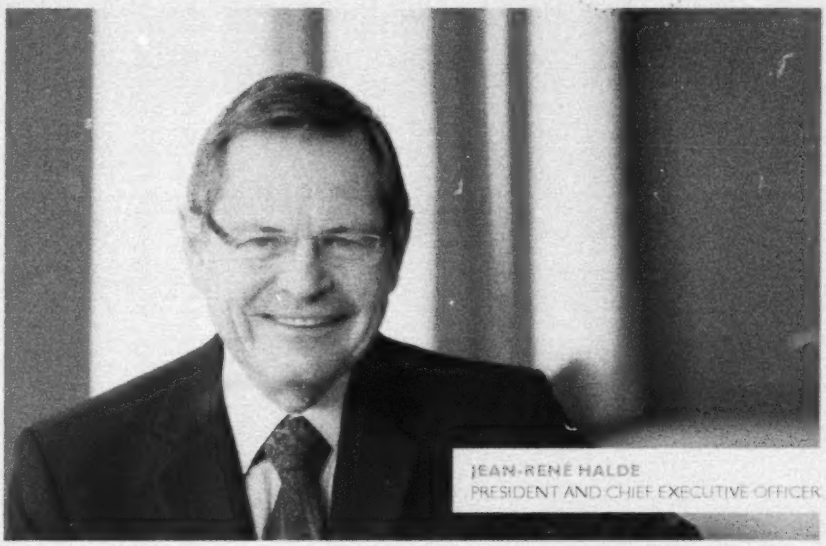
A strong vision has helped **BETH BRUECKNER**'s oil-tank inspection business create a sense of shared purpose and find new clients. What are you trying to achieve?



JEAN-RENÉ HALDE
PRESIDENT AND CHIEF EXECUTIVE OFFICER

PARTING WORDS

YOU DIDN'T CHOOSE TO BECOME AN ENTREPRENEUR BECAUSE IT WOULD BE EASY. YOU WERE DRIVEN TO DO SO. NOW MORE THAN EVER, CANADA NEEDS YOU TO **LIVE UP TO THAT AMBITION.**

This is my last column for *Profit$* magazine. After 10 years as President, it's time to move on—but not without a few parting words.

When I joined BDC, it was because I believed in the mission—to help Canadian entrepreneurs build the best businesses they could. I knew we were a development bank, which meant that we had to do a great job in achieving the "D" in BDC.

Over the years, I've met thousands of entrepreneurs who have shared their stories with me. They've told me what a great source of support we were, how we believed in them when others would not or how we supported their growth with innovative financing. Each time, it brought home to me what a difference we make as Canada's development bank—and how we must do even more.

As you know only too well, it's tough to be an entrepreneur. You need drive, energy, persistence, vision, self-confidence and lots of other qualities—including a strong willingness to take risks. And no matter how smart or talented you are, you can't do it all on your own.

At BDC, we know it takes more than money to succeed. That's why we have offered consulting services for over 30 years—to provide you with missing expertise and help you reach the next stage in your business.

If I could speak to each of you in person, I would say keep moving forward, and challenge yourself each day to stay fresh and ahead of the competition. Keep innovating, investing in your business and exploring new markets. And when you need help—whether it's financing or advice—BDC will be there for you.

I believe in you and have high ambitions for your business. Through your efforts and those of thousands of entrepreneurs just like you, we can build the most competitive, most prosperous country in the world. $

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Publisher
BDC

Editor
Dan Macdonald / dmacdonald@bdc.ca

Publications Coordinator
Louise Gravel

Art Direction
Pierre Ménard and Marc-François St-Pierre (BDC Marketing and Public Affairs)
Agence Code

Address
Business Development Bank of Canada
Public Affairs Department
5 Place Ville Marie, Suite 400
Montreal, Quebec
Canada H2B 2E7

1 877 BDC BANX (232-2269)
www.bdc.ca

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BDC Entrepreneurs first

Canada

VENTURE CAPITAL DEALS IN 2014

Venture capital activity was strong in 2014, according to the Canadian Venture Capital & Private Equity Association (CVCA). The association expects 2015 to be another good year. A survey of CVCA members found that 77% believe current economic conditions favour the private capital industry. BDC Capital was Canada's largest VC investor in 2014, completing 102 deals for a total value of $426.1 million.

379
TOTAL DEALS IN 2014

$1.9B
IN VENTURE CAPITAL (VC) WAS INVESTED IN CANADIAN COMPANIES IN 2014

TOP VC SECTORS	DEALS	TOTAL
ICT	**240**	**$1,274M**
Life sciences	68	$423M
Clean tech	33	$133M
Agri-business	13	$38M
Other	25	$49M

MANAGEMENT TIP

CUSTOMER EXPERIENCE SETS THIS COMPANY APART

Christian Clavelle's Canadian First-Aid Training Limited runs courses on how to perform CPR, use defibrillators and manage medical emergencies ranging from scrapes to life-threatening injuries. The Winnipeg company also has a growing business distributing and servicing automated external defibrillators. ■ Clavelle operates a training centre in Winnipeg with five staff members and nine instructors. He sets his business apart from the competition by offering an inviting customer experience at the training centre. He's invested heavily in everything from a well-stocked coffee station to comfortable furniture and modern décor. ■ "First aid deals with serious issues, but we want people to enjoy their whole training experience," he says. "We carefully choose instructors with the right personality to tread the fine line between teaching the material and keeping people entertained." ■ He adds, "Stand out from the herd —offer a unique experience to your customers." ■ Clavelle's Métis heritage has also opened the door to an important market. The company conducts first-aid courses on remote reserves in northern Manitoba and has trained instructors in Nunavut to deal with emergencies in areas with limited medical facilities.

CHRISTIAN CLAVELLE
PRESIDENT / CANADIAN FIRST-AID TRAINING LIMITED

8 STEPS TO GET READY FOR FOREIGN MARKETS

IT'S CRUCIAL TO PLAN YOUR INTERNATIONAL EXPANSION PROJECT CAREFULLY

If you've decided it's time to export or set up operations abroad, first take a step back and make sure your business is ready. Here are eight steps to follow.

01 **DECIDE WHY** Be sure your international expansion effort is part of a carefully thought-out growth strategy. Many expansions fail because they started from a chance contact at a trade show or a request received via the Internet, but don't match the company's goals or capacities.

02 **GET TEAM BUY-IN** Is your team on board for a long-term commitment to your project? Developing a market often requires more time and resources than companies expect. If owners, senior managers, bankers and key suppliers aren't all on board, your commitment may wane, jeopardizing the venture.

03 **DO AN INTERNAL CHECK-UP** Take a close look at your readiness, including an evaluation of your current resources, strengths and weaknesses. Make sure your company's fundamentals are strong, including financial management, sales and marketing processes, innovation strategy, and operational efficiency.

04 **LINE UP FINANCING** Be sure you have the financial capacity to stay the course until sales start rolling in. Many entrepreneurs make the mistake of using their everyday cash to finance their international project instead of getting a business loan to cover expenses. The result can be an unexpected cash squeeze and a last-minute scramble for financing, which won't impress lenders and may lead to unfavourable terms.

05 **RESEARCH RISK INSURANCE OPTIONS** Expanding into foreign markets can involve credit, political and currency risks. Insurance can help provide security for your Canadian financial institution to grant a loan for your expansion or increase your line of credit. Export Development Canada offers a variety of insurance and guarantee products that cover export risks.

06 **WORK ON YOUR SOFT SKILLS** Take time to hone your soft skills—your patience, communications skills and manners. These are important for building trust with foreign partners and your ability to adapt to another business culture. Don't forget to capitalize on your team's immigration background, cultural links, language skills and international experience.

07 **APPOINT AND REWARD A PROJECT MANAGER** Assign a senior member of your team to oversee your expansion project, and compensate that person, in part, based on the performance of the venture.

08 **DON'T WAIT TOO LONG** Avoid the mistake of waiting until your product is "Canada perfect" before you consider exporting. Your international competitors won't wait for you before expanding to your home turf. Besides, experiences gained from an international venture could help you improve your offerings both at home and abroad.

This article was adapted from BDC's eBook *How to succeed in foreign markets. A guide for entrepreneurs.* Download your free copy at **bdc.ca/expansionguide.**

ILLUSTRATION SÉBASTIEN THIBAULT

7 MISTAKES TO AVOID WHEN BORROWING MONEY FOR YOUR BUSINESS

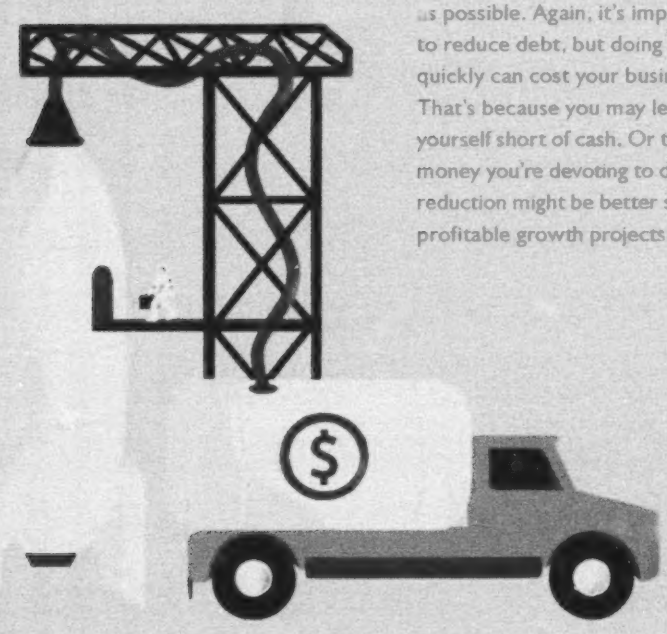
Getting a business loan can be the fuel your business needs to reach the next level of success. **Joanne MacKean**, a BDC Senior Account Manager in Winnipeg, has loaned money to hundreds of businesses for such projects as buying equipment, real estate and technology. She sees many entrepreneurs making these common mistakes.

01 BORROWING TOO LATE

You may be tempted to finance your expansion projects from your cash flow. But paying for investments with your own money can put undue financial pressure on your growing business.

02 BORROWING TOO LITTLE

You're right to be careful about how much debt you take on. However, low-balling how much a project will cost you can leave your business facing a serious cash crunch when unexpected expenses crop up.



03 FOCUSING TOO MUCH ON THE INTEREST RATE

The interest rate on your business loan is important, but it's far from the whole story. What loan term is the lender willing to offer? What percentage of the cost of your asset is your lender willing to finance? What is the lender's flexibility on repayments? What guarantees are being asked from you in the case of default?

04 PAYING YOUR LOAN BACK TOO FAST

Many business owners want to pay back their loans as quickly as possible. Again, it's important to reduce debt, but doing so too quickly can cost your business. That's because you may leave yourself short of cash. Or the extra money you're devoting to debt reduction might be better spent on profitable growth projects.

05 FAILING TO KEEP YOUR FINANCIAL HOUSE IN ORDER

Messy financial records can leave you in the dark about how your business is performing until it's too late to take corrective action. It can also make it difficult to approach a banker for a business loan because not only do you lack documentation, but you've also shown a lack of managerial acumen.

06 MAKING A WEAK PITCH TO YOUR BANKER

MacKean says too many entrepreneurs are unable to clearly explain their company's business plan, past performance, competitive advantages and proposed project. The result is a polite "no, thanks."

07 DEPENDING ON JUST ONE LENDER

Having a relationship with just one financial institution can limit your options, especially if your business hits a bump in the road, MacKean says. "Just as you would diversify your suppliers or customer base, or your own personal investments, you want to diversify your lending relationships."

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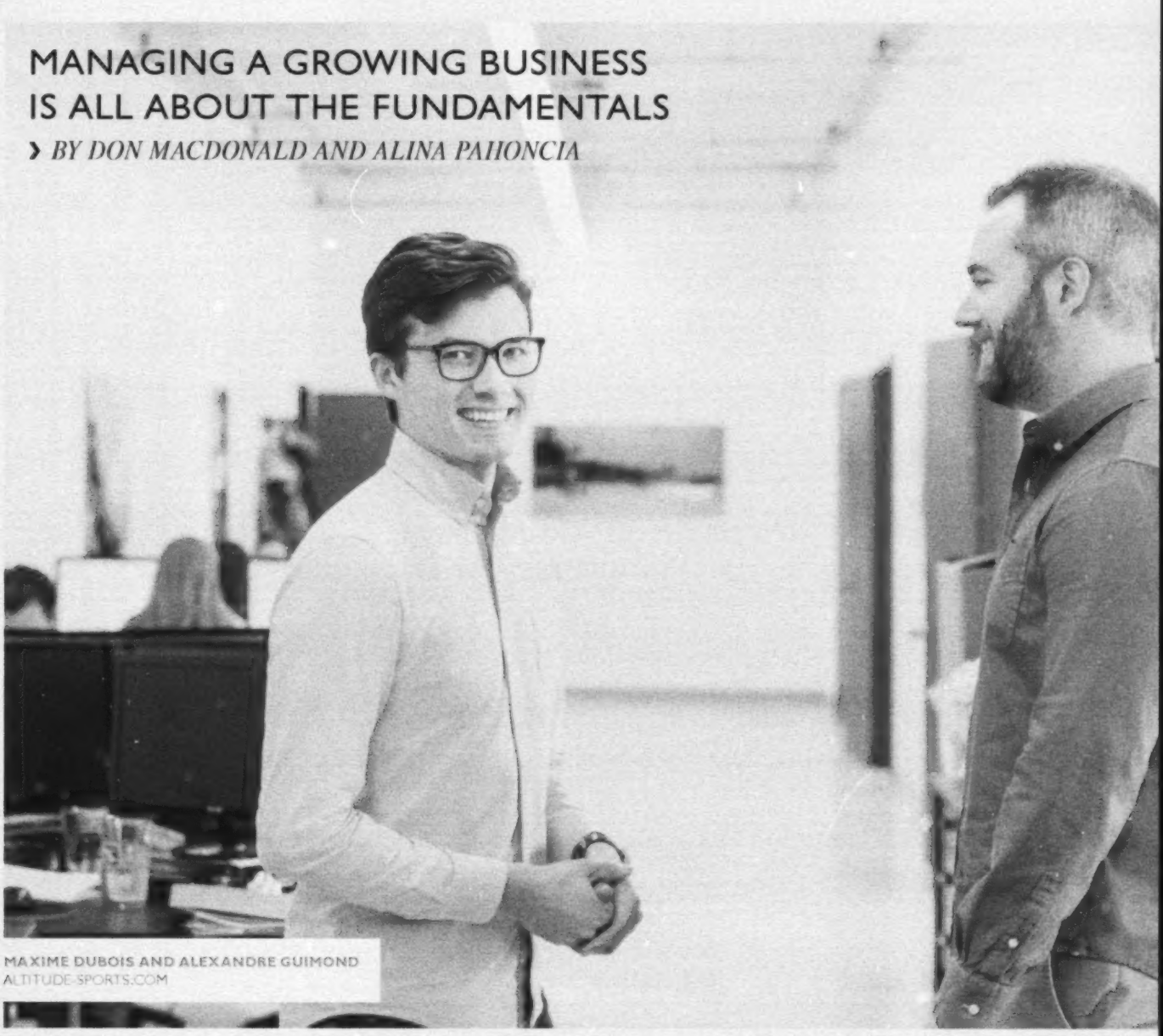
COVER STORY

YOUR GROWTH SYSTEM

MANAGING A GROWING BUSINESS IS ALL ABOUT THE FUNDAMENTALS

› *BY DON MACDONALD AND ALINA PAHONCIA*



MAXIME DUBOIS AND ALEXANDRE GUIMOND
ALTITUDE-SPORTS.COM

PARTNERS MAXIME DUBOIS AND ALEXANDRE GUIMOND HAVE IMPLEMENTED SYSTEMS AT THEIR CLOTHING COMPANY THAT ARE ALLOWING THEM TO BOTH **FUEL AND MANAGE** RAPID E-COMMERCE GROWTH. THE BUSINESS MAY BE HIGH TECH, BUT THEIR APPROACH TO MANAGEMENT IS BY THE BOOK.

PHOTOS: DOMINIQUE TURCOTTE

When Maxime Dubois and Alexandre Guimond bought Altitude Sports in 2011, the company's online sales were already outpacing those at its two stores.

The two high school buddies had worked for several years at the retailer of high-end outerwear and led the development of the e-commerce operation. When the original owner decided to focus on other business ventures, Dubois and Guimond took the plunge and purchased the company.

They saw the potential to put the business on a far more aggressive growth trajectory. But to achieve those ambitions, they needed to not only harness the power of e-commerce, but also take a no-nonsense approach to managing the company's growth.

Business systems that had sufficed when the company consisted of two retail stores would no longer do the job when orders were flowing in from across Canada, and sales were doubling every year.

KEEPING THEIR PROMISE

To both deliver on their promise to customers and keep pace with growth at the company—now called Altitude-sports.com—they had to introduce new systems and processes.

"Just because you're in e-commerce doesn't mean you're going to reinvent the wheel," Dubois says. "It's a question of executing on business fundamentals as best you can.

"We didn't have the tools we needed to make sound business decisions."

The young entrepreneurs started with a new inventory system, because keeping track of more than 30,000 individual items and achieving excellence in order fulfillment requires precision.

"We really laid the foundation of our success by introducing accurate inventory management along with the human processes to ensure it remains accurate," Dubois says. "I believe this is the cornerstone of any successful e-commerce business."

INTRODUCING NEW TOOLS

The partners introduced financial management controls, including detailed cash-flow projections, to ensure liquidity during slow periods in their highly seasonal business. They also created dashboards so they could monitor key performance indicators in each area of their business, from financial performance and inventory to marketing and information technology.

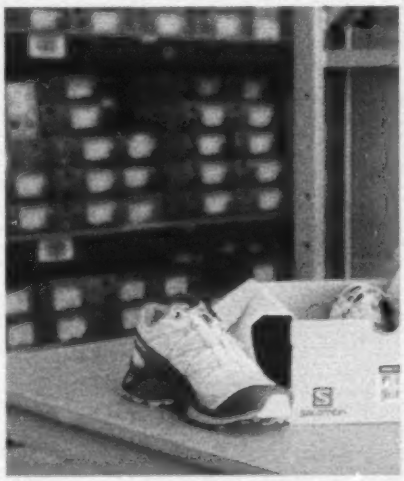
"We use those reporting tools to make sure the business is in good health and, if it isn't, to quickly take the necessary action. It also gives us the information we need to improve from year to year."

Another important initiative was to bring website development and marketing functions inside the company and stop using agencies for this work, Dubois says.

"We would spend a quarter of our time explaining our needs to agency people and then changing what they had done because it wasn't what we were looking for."

GETTING GREAT ADVICE

To help guide them in all these efforts, Dubois and Guimond put together an advisory board, consisting of three business veterans who have provided the young entrepreneurs with invaluable advice and mentorship.



"The advisory board has been an incredible boost for our business," Dubois says. "We've got three guys at different ages and with various backgrounds—marketing, financing and technology—ready to guide us and share their business network with us."

All of the hard work is paying off. The company they bought in 2011 had 15 employees, mainly to run its stores in Montreal and in the Mont-Tremblant ski resort, north of the city. Today, Altitude-sports.com employs more than 100 people and e-commerce accounts for over 90% of its sales. It delivered 90,000 packages last year, up from 45,000 in 2013.

BUILDING THE FOUNDATION

BDC Senior Account Manager Jean-Philippe Salvas says Dubois and Guimond have built a foundation for sustainable growth at their company.

Salvas says he sees many companies that run into trouble because their management practices and systems don't keep pace with the demands of a growing business in a changing marketplace.

"Often, entrepreneurs know what they should be doing but fail to follow through on fundamental practices," says Salvas, a member of BDC's technology financing team in Montreal who has provided loans to Altitude-sports.com. "You have to stay focused and grow your capabilities along with the business."

FOCUSING ON CLIENT EXPERIENCE

Tight management is particularly important in e-commerce, where the competition is just a click away. Dubois says that's why an excellent customer experience both on the site and after a purchase is so important.

"We have worked hard to build a well-oiled machine relying on fast delivery and simple, easy and free returns," Dubois says. "We wanted to create a 'super journey' for our clients on our website and right into the after-purchase period. We wanted to surpass the promises we have made to them at every level."

To that end, customer service reps are available for questions or comments all week from 9 a.m. to 9 p.m., by phone and online, anywhere in Canada. The company also has a flexible 60-day return policy and most returns are free. All orders leave the warehouse within 24 hours of the moment the client places his or her order, and delivery is fast.

> "WE'RE ON SOLID GROUND TO ACHIEVE THE VISION WE HAVE FOR THE COMPANY."

RESTRUCTURING FOR E-COMMERCE

Dubois and Guimond started structuring the company for e-commerce back in 2008, when Dubois joined the company as Marketing Director. "Alexandre had already been working for the company for years and had created the base of the online strategy," Dubois says.

In 2009, they launched a new version of the Altitude-sports.com website—one with a secure and easy-to-use e-store. Then, the pair started Altitude-blog.com, where employees and "ambassadors" could publish product reviews, travel stories and outdoor cooking tips.

"The blog gave a big boost to our online sales," Dubois says. "It's a way of bringing our products to life and also of sharing our expertise."

In 2010, Dubois and Guimond launched a partner discount website called TheLastHunt.com that serves as a stock liquidator for previous seasons of Altitude-sports.com merchandise.

AN ONGOING JOB

Dubois says introducing systems and processes to support the company's growth has been a "huge job." And it doesn't stop. "We're not perfect. We need to improve each year," he says. "But we feel we're on solid ground to achieve the vision we have for the company: become the No. 1 online retailer of high-end outerwear in Canada by the end of 2016." $

4 KEY STRATEGIES FOR MANAGING GROWTH

IT TAKES HARD WORK TO MANAGE GROWTH. HERE ARE MAXIME DUBOIS' TIPS.

01 Look at your strategic plan and the current state of your business. What will be your key needs in terms of systems and processes going forward? Get started on implementing them right away.

02 Make sure to introduce sound financial management practices. These include making financial projections and then monitoring actual performance closely to identify variances and take action.

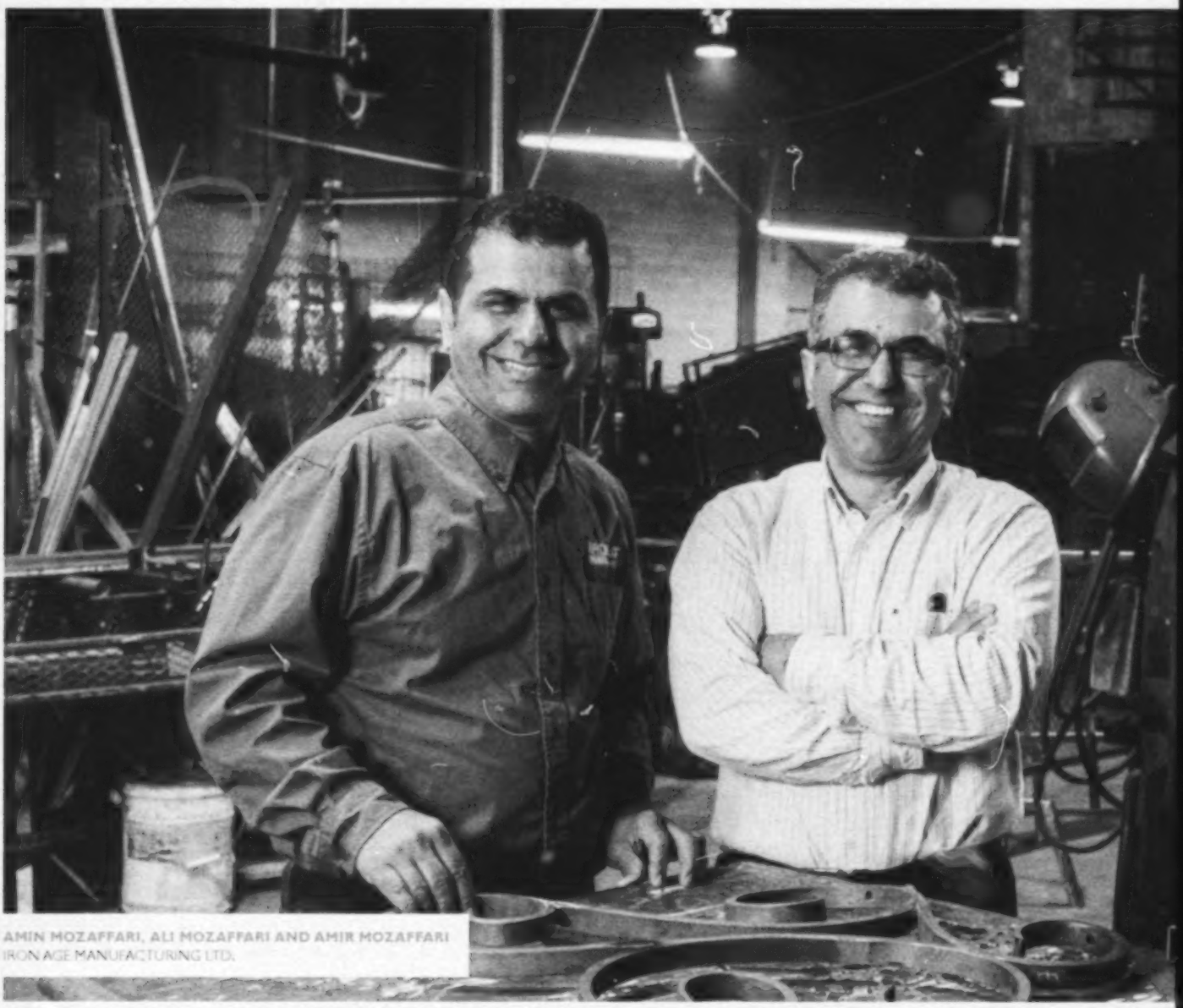
03 Establish performance dashboards for each department of your company with a small number of key performance indicators that will allow you to monitor the day-to-day health of your business and improve over time.

04 Establish an advisory board, consisting of experienced business people with a wide range of skills and knowledge. An advisory board can be an invaluable source of affordable advice and support for entrepreneurs grappling with the challenges of a growing business.

YOUR SALES STRATEGY

GET YOUR SALES EFFORTS ON THE RIGHT TRACK

› *BY CHRIS ATCHISON*



AMIN MOZAFFARI, ALI MOZAFFARI AND AMIR MOZAFFARI
IRON AGE MANUFACTURING LTD.

MANY ENTREPRENEURS STRUGGLE WITH LACKLUSTRE SALES GROWTH. OFTEN, THE CULPRIT IS A FAILURE TO UNDERSTAND WHY CUSTOMERS BUY FROM YOU AND HOW TO **SYSTEMATICALLY ATTRACT** THE BUSINESS YOU WANT. LEARN HOW A STEP-BY-STEP APPROACH TO BOOSTING SALES CAN PAY HUGE DIVIDENDS.

Ali Mozaffari was tired of getting beaten by the competition. Mozaffari is Director of Iron Age Manufacturing, a Vancouver company that custom makes metal products such as gates, railings and staircases for homes and businesses. He'd seen the company grow gradually since its launch in 1997 but had become frustrated by the slow pace.

A turning point came about three years ago, when Mozaffari decided to take action to accomplish his long-held goal of landing more contracts from large builders of homes and condo developments.

"We were continuously losing projects and bids to our competitors," Mozaffari recalls. "Each time, we would pause and think about the approach we'd used to try to secure that project and why it didn't work."

The company had a strong reputation in the residential segment, where deals often come by referral and tend to be negotiated verbally. Landing those prized commercial builders would take a more professional and structured approach to sales.

"We could provide architects and designers with the flexibility they needed to bring their ideas to life," says Mozaffari, who runs Iron Age with his two brothers, Amin and Amir. "But we still couldn't reach our target commercial market."

A COMMON SALES CHALLENGE

To improve its sales processes and expand into new markets, Iron Age began working with BDC Consultant Chris Corey.

Mozaffari and his team are still in the midst of refining their new strategy, but the work has already paid big dividends. The company has boosted revenue by roughly 80% over two years, while logging significant growth in the critical commercial market.

Of course, Iron Age is far from alone in its growth struggles. Many smaller businesses soldier along with informal sales processes, only to hit roadblocks when they try to expand —or simply survive tough economic times.

"Many companies have difficulties understanding their value proposition," Corey says. "They don't have a clear picture of which customers they should be targeting or how to best compete for that business."

A METHODICAL APPROACH

Iron Age started its drive to improve by pinpointing its ideal customer. That meant targeting mainly large commercial home and condominium builders.

Realizing that sales reps can't sell what they don't fully understand, Iron Age's management then went to work on defining the company's value proposition and competitive advantage. Mozaffari and his team determined their edge was the ability to make virtually any iron product, from contemporary to traditional, at the highest quality.

"If you'd asked them before what drove their success, how they acquired customers, where their revenue came from in terms of product categories and why people bought from them, they couldn't give you an answer," Corey says.

Next, Iron Age established concrete sales objectives, identified shortcomings in its sales process and prepared a list of priorities to tackle. Chief among these was fostering more cooperation across the entire team through improved communications. The company also developed key performance indicators to track results and prepare sales forecasts.

NEW OFFERINGS FOR A NEW CLIENTELE

Turning to the sales effort on the ground, Iron Age decided to increase its sales staff, doubling it over two years. It also added more product designers.

Corey recommended that the company arm its sales reps with a tiered product menu, a move based on research into the needs of the commercial clientele. Iron Age developed premium options made with the highest quality materials and custom designs, as well as a secondary product line featuring standard materials typically used by its competitors. Thus, Iron Age's products would be as good as, or better than, anything made by its rivals.

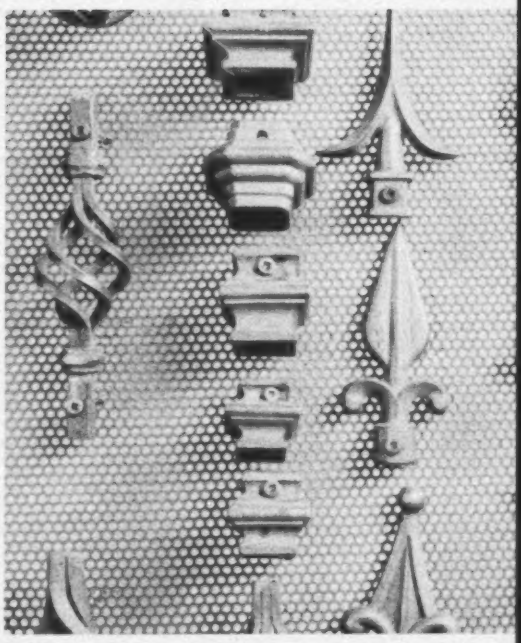
Iron Age also decided to offer a premium service option for commercial clients who required faster turnaround times. The company is currently upgrading its project management systems to accommodate this offering.

> "WITH COMMERCIAL CLIENTS, WE NEEDED TO FOLLOW A MORE DELIBERATE PROCESS TO WIN THE WORK."

It's implementing another IT system to automate quoting, tracking of materials and invoicing for commercial clients. This is important not only for meeting Iron Age's operational and profitability goals, but also customer demands for fast, accurate quoting.

BUILDING A STRONGER TEAM

Iron Age also set out to boost the skills of its sales reps and project managers through tutorials. Among other things, employees learned how to elicit detailed information from commercial clients to help produce



accurate estimates as quickly as possible. At the same time, the company provided training to installer teams on handling more complex commercial jobs, because building confidence among potential clients was a key objective.

Finally, Mozaffari learned the process was not only about filling the sales pipeline, but also developing a formal system to help carry projects through to completion.

"With commercial clients, we needed to follow a more deliberate process to win the work, then maintain that process throughout the project."

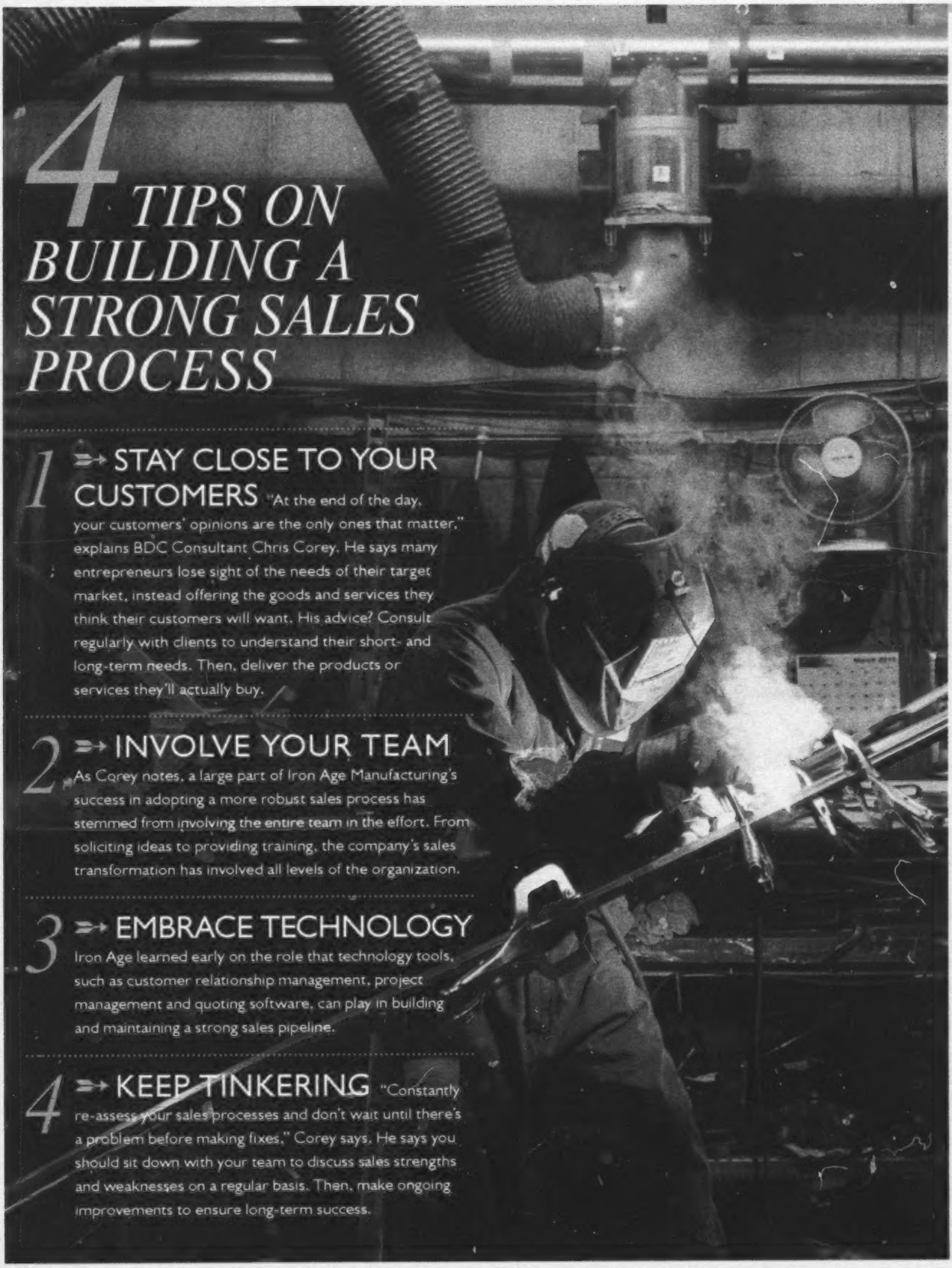
To that end, Iron Age has begun using cloud software to facilitate the sharing of customer information, project spreadsheets and design drawings. "We're using this technology to communicate and coordinate between project managers and sales teams."

STILL WORK AHEAD

Mozaffari notes the new sales strategy has helped Iron Age make a leap forward in the commercial market, but it's still a work in progress.

And while the journey hasn't been easy, Mozaffari says he finally has the tools to take Iron Age's growth to the next level.

"You have to find the time to focus on your sales processes if you want to grow," he says. "But don't expect miracles to happen. You improve step by step." $



4 TIPS ON BUILDING A STRONG SALES PROCESS

1 STAY CLOSE TO YOUR CUSTOMERS

"At the end of the day, your customers' opinions are the only ones that matter," explains BDC Consultant Chris Corey. He says many entrepreneurs lose sight of the needs of their target market, instead offering the goods and services they think their customers will want. His advice? Consult regularly with clients to understand their short- and long-term needs. Then, deliver the products or services they'll actually buy.

2 INVOLVE YOUR TEAM

As Corey notes, a large part of Iron Age Manufacturing's success in adopting a more robust sales process has stemmed from involving the entire team in the effort. From soliciting ideas to providing training, the company's sales transformation has involved all levels of the organization.

3 EMBRACE TECHNOLOGY

Iron Age learned early on the role that technology tools, such as customer relationship management, project management and quoting software, can play in building and maintaining a strong sales pipeline.

4 KEEP TINKERING

"Constantly re-assess your sales processes and don't wait until there's a problem before making fixes," Corey says. He says you should sit down with your team to discuss sales strengths and weaknesses on a regular basis. Then, make ongoing improvements to ensure long-term success.

VISION QUEST

A STRONG VISION IS A KEY INGREDIENT IN YOUR GROWTH PLAN › *BY ALEX ROSLIN*

MANY COMPANIES LACK A VISION TO GUIDE THEM TO SUCCESS. WHEN G.K. HILLS OWNER **BETH BRUECKNER** DEFINED HERS, SHE FOUND FOCUS—AND A NEW PASSION FOR HER BUSINESS.

BETH BRUECKNER
G.K. HILLS TANK INSPECTION

When crude oil prices started to plummet last summer, the timing wasn't great for Beth Brueckner. The veteran oil and gas industry consultant in Turner Valley, Alberta, in the bucolic foothills of the Rocky Mountains, had just started a new business of inspecting storage tanks for energy companies.

Her company, G.K. Hills Tank Inspection, was doing solid business and was planning to expand aggressively when the market began collapsing. Crude eventually lost over half its value, dropping from nearly US$110 a barrel last June to under $50 in March.

But Brueckner has managed to weather the storm, thanks in no small measure to a vision statement she and her team developed last year as part of a strategic planning process. A strong new vision helped her maintain her business focus and make inroads with major new potential clients, even as the downturn left many other companies in Alberta's oil patch reeling.

Most importantly, articulating a vision gave Brueckner a renewed sense of purpose for her business. She had long felt a growing disconnect between her work and her strong environmental values, which have their roots in her days growing up on a farm outside Peace River in northern Alberta.

A SIMPLE MISSION

Her newly developed vision solved that internal dilemma. For the first time, Brueckner openly articulated a strong commitment to environmental responsibility and safety for her business. She boils it down to a simple mission: preventing oil spills.

"I've seen many avoidable spills, and it's always bothered me. It doesn't have to be like that," says Brueckner, who used to work as an inspector for an Alberta provincial regulatory agency.

"My work has purpose now. It's extremely important for me to know why I'm doing it and where I'm going. It's fulfilling to make your world and industry a little better. Through the process of developing my vision, I found my purpose and why I was passionate about it."

Defining a clear vision can be a powerful tool for helping businesses understand where they are going, steering them to strategic opportunities and energizing employees. "Without an effective vision, a company can get sidetracked into non-strategic lines of business and employees can lose motivation," says Janice Kobelsky, a BDC Consultant in Calgary who specializes in strategic planning.

A CLEAR LINE

"A vision allows everything to fall into place," says Kobelsky, who helped Brueckner develop her company's vision and strategic plan. "It gives everyone a line of sight from where they are to where they're going. Your employees can very clearly see if they are aligned with the vision or not."

A strong vision also helps companies connect with clients and their community, and understand whom they serve and how they add value for clients, Kobelsky says. "It's not just what you want to achieve for yourself, but how you help clients achieve their vision and contribute to the community."

Lack of a vision can even make or break a company's strategic plan, she says.

"Without a vision, companies largely do what they have always done. They leave opportunities on the table and don't fully maximize their potential," Kobelsky says. "An effective vision statement clarifies and gives focus and direction to your efforts. It provides alignment with your business strategy. Anyone who sees it must be able to get it. If not, it's not clear enough."

FUTURE STATE

The ideal vision statement, Kobelsky believes, covers three dimensions. First, it must spell out your desired future state of success. Second, it has to describe your vision for your actions, their impact and the legacy you'd like to leave behind.

Finally, your vision needs to describe your company's culture and character—who you are and how you want to be perceived.

It's important for a vision to strike a balance between being inspiring and being realistic. It's about your bigger-picture aspirations, not just a set of objectives.

> "THROUGH THE PROCESS OF DEVELOPING MY VISION, I FOUND MY PURPOSE AND WHY I WAS PASSIONATE ABOUT IT."

In fact, setting a vision is generally Kobelsky's first step in helping businesses create a strategic plan. "I like to see that whole process tied to the vision. The vision is what pulls the company forward."

ADVICE INTO ACTION

At G.K. Hills, Beth Brueckner and her team worked closely with Kobelsky to put this advice into action. Brueckner, who has also received BDC financing, developed a vision statement for her tank inspection business that was clear, effective and succinct: "Thought and practice leader for environmental responsibility and safety in the upstream petroleum industry."

The vision captures Brueckner's aspiration of industry leadership, her desired legacy and who she is. Developing it also gave her a solid starting point and framework for creating a strategic plan and a rallying point for employees and contractors.

"Our vision tells us how to communicate internally to our own people so everyone is aligned, but it also helps us understand our value proposition to communicate with clients."

The vision also gave Brueckner a renewed sense of purpose. "It provided clarity for why I'm doing this."

BOLD APPROACH

She now boldly touts her vision of environmental stewardship. Gone are the days when she would play down her values, anxious about how they'd be perceived. And it's been great for business. Brueckner has infused her vision into her marketing. That, in turn, has opened doors with new potential clients.

"I think that's why people connect with me. Before, my work was just about generating revenue. Now, I'm trying to lead by example and give back." $

3 TIPS FOR CREATING YOUR VISION

BDC Consultant Janice Kobelsky offers these tips for creating a vision for your company.

01 **MAKE YOUR VISION CLEAR** so that it gives employees focus and direction. Let it guide your business strategy and provide a sense of fulfillment for your team and clients.

02 **CRAFT A VISION STATEMENT** in a way that describes your desired future state of success, your hoped-for business legacy and who you are as a company.

03 **ENSURE YOUR VISION IS INSPIRING** but also realistic. Strive for bigger-picture aspirations rather than simple objectives, but don't stray into fantasy land.

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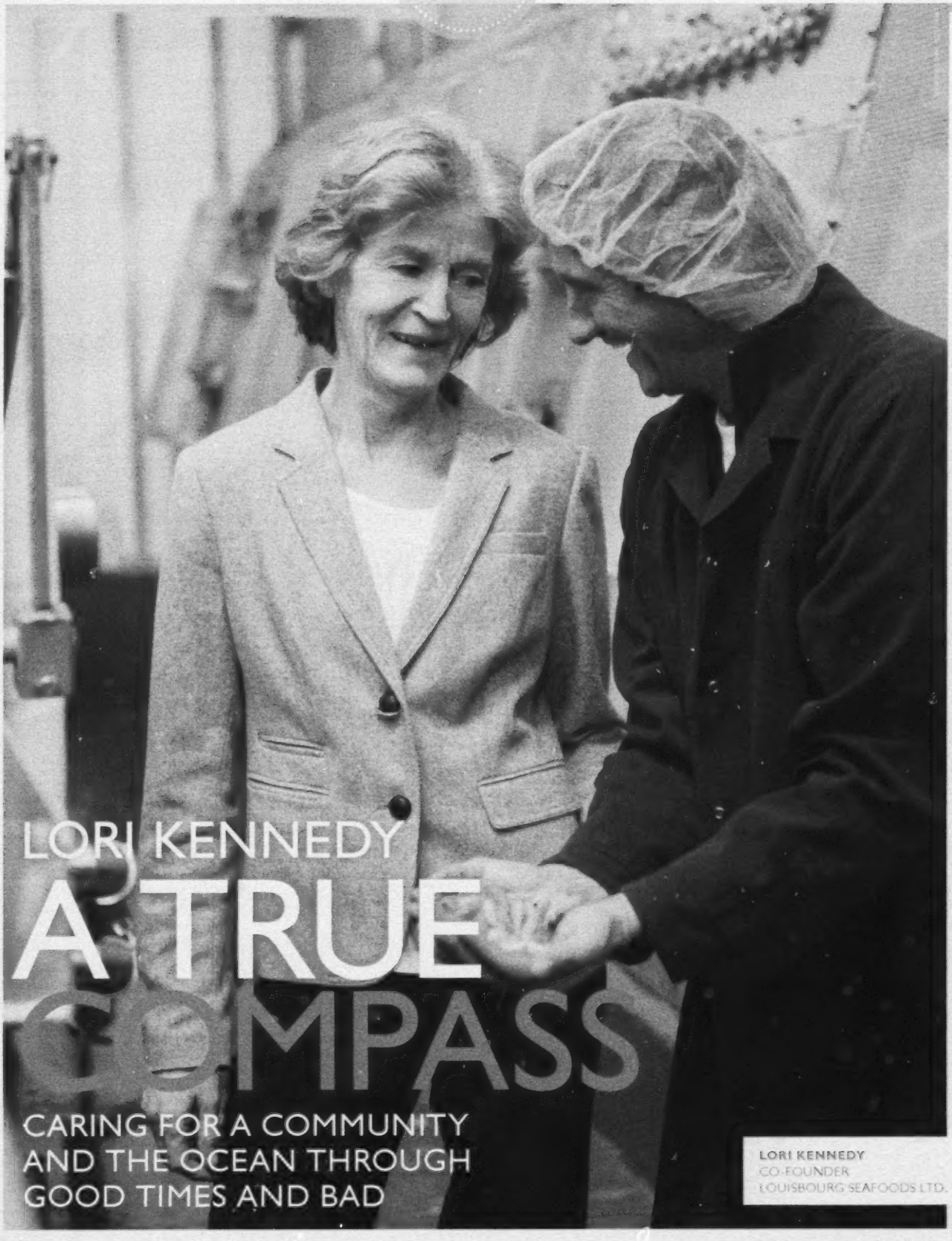
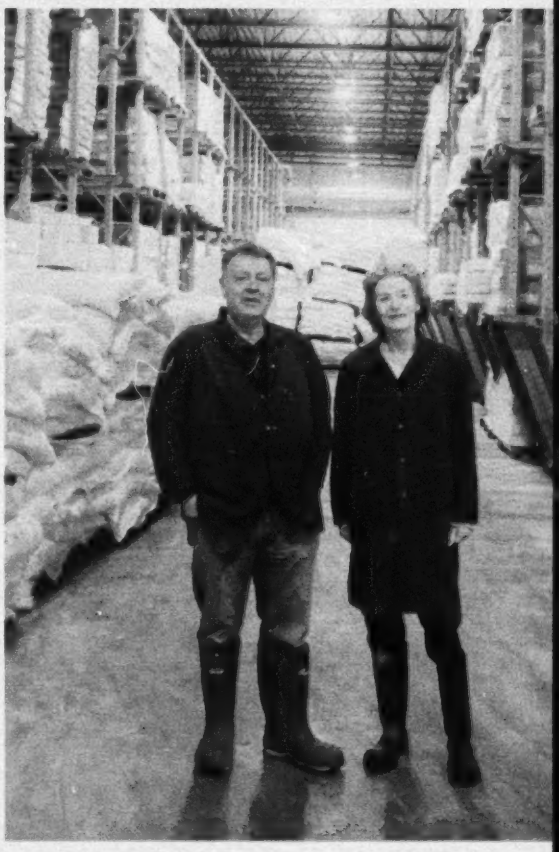


LORI KENNEDY
A TRUE COMPASS

CARING FOR A COMMUNITY AND THE OCEAN THROUGH GOOD TIMES AND BAD

LORI KENNEDY
CO-FOUNDER
LOUISBOURG SEAFOODS LTD.



Lori Kennedy and her husband Jim were Cape Breton fish plant workers in their 20s when they saw hard times coming. The Atlantic cod fishery was collapsing, and their region would never be the same. Instead of falling into despair, they quit their jobs and took a plunge, starting their own business unloading fishing boats. ▬ They overcame humble beginnings, being swindled and the loss of Lori's brother at sea, all the while expanding their business. It now includes several fish plants, 13 fishing vessels and 500 employees. When the recession hit, they faced hard times again. But the enterprising couple managed to hold on by diversifying into Europe and Asia. ▬ Through it all, they've maintained their values of caring for their community and for an ocean that has been unforgiving but has also sustained a way of life.

Both me and my husband Jim were fish plant workers in Louisbourg, Cape Breton, in the 1980s. Jim and I—all the plant workers—knew what was coming before the cod fishery collapsed. The fish were getting smaller. People realized fish resources were being taken out of the water that never should have been taken.

My husband left the plant in 1984. I left in 1986 to get an education because I only had Grade 8. I got my GED and went to business college for a year. But that wasn't enough so I went to university and got an accounting degree.

We started the business in 1984 with a small crew of six unloading boats that would come into port. It was just small stevedoring. That division is still part of our business.

In 1991, we bought a small processing plant in Louisbourg, where we started to process groundfish. We had 98 plant workers there. We eventually bought a fish plant in Glace Bay, also in Cape Breton. We decided to process all the groundfish there and switch to crab in our plant in Louisbourg.

Seven years ago, we bought a plant in North Sydney, where we process shrimp. And then a few years later, we bought a large fish plant in Canso. It was old and too large, so we tore it down and built a small, more efficient plant there, where we process lobster and other species.

We purchase from over 200 independent harvesters. And we have 13 of our own fishing vessels and about 35 crew members. Today, we have approximately 500 employees in all.

Over the years we've learned a lot. Our first big mistake was when we were in our 20s. We bought a load of fish from a gentleman from the U.S. My husband gave him $25,000. Two hours later, he came back and asked for payment. Jim wasn't around, so I paid him as well. I didn't know he'd already been paid.

We never got our money back. That was a lot of money for us back then. We were young, trusting people. We learned there are some dishonest people out there. You're going to make mistakes. You have to learn from them.

There's a lot of tragedy in the fishing industry. I had a brother who drowned while fishing back in 1992. He was only 35. It was very painful. The fishing industry is a brutal, dangerous way to make a living. The ocean is merciless.

Jim and I didn't come from well-to-do families. I know how hard plant workers work. Cape Breton has one of the highest rates of child poverty in Canada. The collapse of the fishery threw this area into a spiral, and we're still trying to get out.

It's important to have a healthy community. We live here, and we're not going anywhere. That's why we give back a lot to our employees and the community. For example, we provide paid days off for employees to be with their kids if they're sick. We also provide them medical benefits. We support the local elementary school by providing breakfast to all the students, and we provide uniforms to local kids' sports teams.

Ocean health is also very important to us. The oceans are at risk from illegal, unregulated, unreported fishing activity in international waters. We're also very concerned about global warming and plastics in the ocean. We're active on these issues as members of the World Ocean Council.

We also promote traceability and sustainability through our partnerships with chefs. Over the last few years, we have become involved in chefs' networks that help us promote our products. Chefs want to align themselves with companies that are honest.

Consumers today want to know where fish are coming from. They realize how important traceability and sustainability are now. When the chef brings a fish plate to a customer in a restaurant, the customer now asks where the fish came from. They want to buy local and know if that fish is regulated.

We network with chefs who are helping bring our products to other countries. When we went to China, we already had a connection with a chef there who had used our fish. It's a wonderful marketing tool. The chefs' networks are very important.

We are starting to use social media. We want to highlight fishermen in videos talking about their work and their boat. The purpose is to give consumers a personal introduction to the person providing them with good fish.

All the vessels have a beautiful story behind their name. One of our boats is called "Mrs. Beasley." That name came from my brother who used to call my mom Mrs. Beasley. That came from a TV show called "Family Affair." The girl on the show had a doll, and she called it Mrs. Beasley. So we named the vessel after her.

> "THE FISHING INDUSTRY IS A BRUTAL, DANGEROUS WAY TO MAKE A LIVING. THE OCEAN IS MERCILESS."

We have another vessel called "The Seven Wonders." We had to come up with a name for the vessel by midnight. Our children came up with the name because we had seven grandchildren at the time.

The captains have so many interesting stories. They have this knowledge of the ocean. Their knowledge combined with science is helping address ocean health. The fishermen notice the effects of the warmer climate in unusual behaviour of the whales, orcas and fish. Scientists are starting to collaborate with them to study the oceans because you can only learn so much from a book in a classroom.

We had a tough time when the recession hit. The price of fuel was just astronomical, the dollar had gone to par and demand went down as the economy slowed. Everything that could go wrong went wrong. It affected our business dramatically. Sales went down, we were holding inventory longer and our accounts receivable went up. We had pressure from the banks.

It taught us you have to build a relationship with your bankers. Call them in and show them what you've done to improve. That's very important.

We also learned you have to make yourself lean. You'd be surprised at the money you can save. We were forced to learn that lesson when the economy collapsed in the U.S. We were forced to go internally and save money.

We also learned not to have all our sales in one or two countries. After the recession, we started to diversify into Europe, China and India. It's best to have seven or eight different markets. If one of them goes down, it's only a small part of your sales and you'll get through it.

I learn a lot from being a member of the Women Presidents' Organization. We meet once a month in the Atlantic chapter. It's just a pool of different women who have been in business for years. We share similar experiences. We have solved major business issues.

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WHERE IS THE DOLLAR HEADING?

IT'S BEEN QUITE A RIDE FOR THE CANADIAN DOLLAR. AS LATE AS 2012, THE LOONIE WAS AT PAR WITH THE U.S. DOLLAR BEFORE SLIDING TO ABOUT 80 CENTS TODAY. THAT'S THE LOWEST LEVEL IT'S BEEN AT SINCE THE RECESSION.

Why is the Canadian dollar weaker? What should we expect in 2015?

There are three factors that have driven the dollar downward. First, the U.S. economy is performing strongly and attracting more investors. In fact, the U.S. dollar has appreciated not only against the Canadian dollar but also against most currencies around the world.

OIL PRICE PRESSURE

Second, Canada is a major energy producer and the plunge in oil prices is putting pressure on our dollar. Oil prices have dropped by 60% since last summer, causing the dollar to decline in tandem.

Finally, the Canadian and U.S. central banks are on divergent paths. The Bank of Canada reduced its interest rate in January to shore up the economy, while the U.S. Federal Reserve is expected to raise its rate in the next few months.

So what should we expect in 2015?

We believe the dollar will remain at more or less its current level.

STRENGTH IN U.S.

The U.S. economy will remain strong this year, with robust consumer demand supported by a solid job market and low consumer debt. The U.S. will also benefit from high business confidence and more government spending.

Meanwhile, economic growth in Canada will be hindered by lower investment in the energy sector. World oil supply is still higher than demand and while lower investment will eventually eliminate the glut, the transition has been slower to materialize than expected.

Finally, it's our view that the Federal Reserve will raise interest rates well before the Bank of Canada, creating renewed downward pressure on the dollar.

DOLLAR TO REMAIN WEAK

These factors will keep the Canadian dollar close to 80 cents, or even lower if the Bank of Canada reduces interest rates again.

Obviously, there are winners and losers from the lower dollar. Importers, such as retailers and wholesalers, are suffering, while exporters are benefitting, with Canadian shipments to the U.S. increasing by 12% last year.

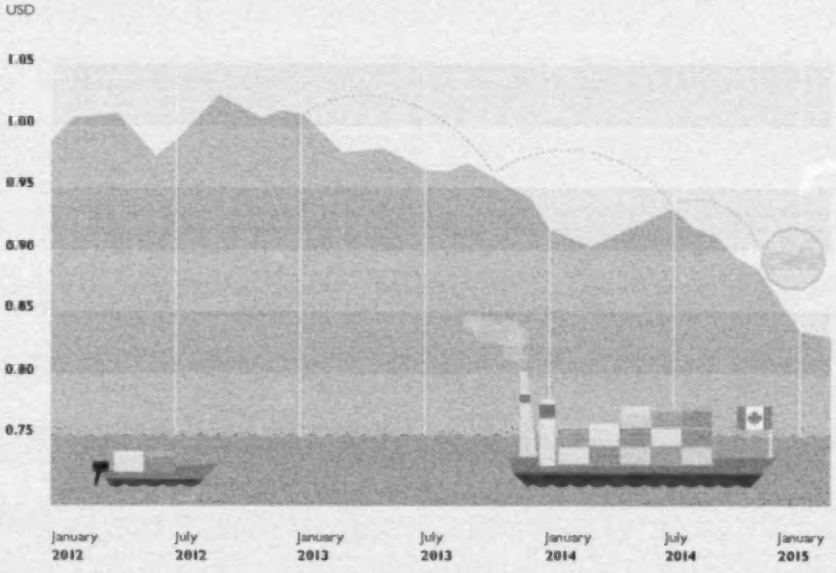
The upturn has been particularly welcome in the long-suffering manufacturing sector, where we're seeing important gains in factory output after years of decline.

IDEAL TIME TO EXPORT

If you've been thinking about growing your business by exporting to the U.S., this might be an ideal time.

After all, not only is there more vigorous growth ahead in the American economy, but you also get the bonus that comes from earning U.S. dollars on what you sell while spending Canadian dollars to make it. $

Canada/U.S. exchange rate (January 2012 to January 2015)



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